

# MICHIGAN STATE MEDICAL SOCIETY

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MEMO TO: House Health Policy Committee  
FROM: Daniel B. Michael, MD, MSMS President  
RE: Opposition of Senate Bills 26-28

On behalf of the 16,000 physician members of the Michigan State Medical Society (MSMS), I am writing to express our opposition to Senate Bills 26-28. This package of bills seeks to amend the rules related to the formation of professional corporations. Specifically, Senate Bills 26-28 would permit physicians and physician assistants (PA) to form corporations and be of equal standing within that corporation.

Current law limits which professions may incorporate with one another. Allopathic physicians (MD's), osteopathic physicians (DO's), and podiatrists are currently allowed to form corporations with one another. Other professions are able to form corporations, but are not able to maintain mixed ownership by distinct professions. Historically, the Professional Corporations Act has reflected the expectation that many of the concerns typically associated with corporate structures would be offset by the obligations and ethical standards of the professions who are eligible to form these corporations. Senate Bill 26-28 raises questions about the inherent conflict between corporate ownership and professional obligations. Does a physician supervising a PA have the same level of professional autonomy if that same physician were employed by practice with a majority of PA ownership? For example, what if during a shareholder meeting an issue regarding the delivery of care were to come up, and the supervising physician were to be outvoted by PA shareholders that are being supervised? Senate Bills 26-28 create an opportunity for the responsibilities of the physician under the Public Health Code to conflict with these changes to the Professional Corporations Act.

MSMS recognizes that there are areas of acute health professional supply shortages within Michigan. However, Senate Bills 26-28 would apply in all circumstances, would impact all areas of the state, and would undercut one of the underlying premises of the Professional Corporations Act. For these reasons, MSMS opposes Senate Bills 26-28.

